

[Docket No. 18595]

ALM DUTCH ANTILLEAN AIRLINES**Notice of Hearing**

Notice is given herewith, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that a public hearing in the above-entitled proceeding is hereby assigned to be held before the undersigned Examiner on February 7, 1968, at 10 a.m., e.s.t., in Room 211, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.

Dated at Washington, D.C., January 10, 1968.

[SEAL]

RICHARD A. WALSH,
Hearing Examiner.

[F.R. Doc. 68-609; Filed, Jan. 16, 1968;
8:49 a.m.]

[Docket No. 19023]

MEMPHIS/HUNTSVILLE/BIRMINGHAM-LOS ANGELES SERVICE INVESTIGATION**Notice of Postponement of Prehearing Conference**

Notice is hereby given that the prehearing conference in the above-entitled matter previously assigned to be held on February 6, 1968, is hereby postponed to February 14, 1968, at 10 a.m., e.s.t., in Room 726, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.

The dates for exchange of proposed statements of issues and other related materials to be submitted by the Bureau of Operating Rights and the other parties are hereby postponed until February 2, 1968, and February 7, 1968, respectively.

Dated at Washington, D.C., January 10, 1968.

[SEAL]

MILTON H. SHAPIRO,
Hearing Examiner.

[F.R. Doc. 68-610; Filed, Jan. 16, 1968;
8:49 a.m.]

[Docket No. 18322]

NORTHERN NEW ENGLAND-GREAT LAKES SERVICE INVESTIGATION**Notice of Hearing**

Notice is given herewith, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that a public hearing in the above-entitled proceeding will be held before the undersigned Examiner on January 30, 1968, at 10 a.m., e.s.t., in the Sheraton-Wayfarer Motor Inn, Manchester, N.H. Upon conclusion of the Manchester session the hearing will reconvene on February 13, 1968, at 10 a.m., in Room 911, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.

Without limiting the precise scope of the issues in this proceeding, particular attention will be directed to the following matters:

1. Do the public convenience and necessity require and should the Board order the issuance, alteration, amend-

ment, or modification of air carrier certificates authorizing air service between points in Maine, New Hampshire, and Vermont on the one hand, and Albany, Syracuse, Cleveland, Detroit, and Chicago, on the other, subject to the restrictions set forth in the Board's Order of Investigation, Order E-24916.

2. If the public convenience and necessity require the award of such authority, what additional terms, conditions, and limitations, if any, should be imposed on the operation of the service.

3. Are the applicants citizens of the United States within the meaning of section 101(13) of the Act, and are they fit, willing, and able to perform the proposed air transportation and to conform to the provisions of the Act and the rules, regulations, and requirements of the Board thereunder.

For further details of the issues involved in this proceeding, interested persons are referred to the orders and notices entered herein, the documents filed by the parties, and the Examiner's report of prehearing conference served on August 4, 1967, all of which are on file with the Docket Section of the Civil Aeronautics Board.

Notice is further given that any person other than the parties of record desiring to be heard in this proceeding shall file with the Board on or before January 25, 1968, a statement setting forth the issues of fact or law raised by this proceeding which he desires to controvert.

Dated at Washington, D.C., January 10, 1968.

[SEAL]

RICHARD A. WALSH,
Hearing Examiner.

[F.R. Doc. 68-611; Filed, Jan. 16, 1968;
8:49 a.m.]

[Docket No. 18141]

SCANDINAVIAN AIRLINES SYSTEM ENFORCEMENT PROCEEDING**Notice Postponing Hearing**

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that the public hearing in this proceeding heretofore assigned to be held on January 22, 1968, is hereby postponed, and will now be held before the undersigned Examiner on February 26, 1968, at 10 a.m., e.s.t., in Hearing Room E, Federal Trade Commission Building, 30 Church Street, New York, N.Y.

Dated at Washington, D.C., on January 12, 1968.

[SEAL]

RICHARD A. WALSH,
Hearing Examiner.

[F.R. Doc. 68-612; Filed, Jan. 16, 1968;
8:49 a.m.]

[Docket No. 18754]

SOUTHERN AIRWAYS, INC., SHOW CAUSE PROCEEDING**Notice of Hearing**

Notice hereby is given, pursuant to the provisions of the Federal Aviation Act of

1958, as amended, that a hearing in the above-entitled proceeding will be held on January 30, 1968, at 10 a.m., in Room 911, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.

For information concerning the issues involved and other details in this proceeding, interested persons are referred to the prehearing conference report served on November 21, 1967, and other documents which are in the docket of this proceeding on file in the Docket Section of the Civil Aeronautics Board.

Dated at Washington, D.C., January 12, 1968.

[SEAL]

HERBERT K. BRYAN,
Hearing Examiner.

[F.R. Doc. 68-613; Filed, Jan. 16, 1968;
8:49 a.m.]

[Docket No. 18791]

VIASA ENFORCEMENT CASE**Notice of Further Change in Date of Hearing**

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that the hearing in the above-entitled proceeding now assigned to be held on February 13, 1968, is hereby postponed to February 26, 1968, at 10 a.m., e.s.t., in Room 726, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before the undersigned examiner.

For information concerning the issues involved and other details in this proceeding, interested persons are referred to the documents which are in the docket of this proceeding on file in the Docket Section of the Civil Aeronautics Board.

Dated at Washington, D.C., January 10, 1968.

[SEAL]

EDWARD T. STODOLA,
Hearing Examiner.

[F.R. Doc. 68-614; Filed, Jan. 16, 1968;
8:49 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 16979; FCC 68-32]

INTERDEPENDENCE OF COMPUTER AND COMMUNICATIONS SERVICES AND FACILITIES**Order Regarding Regulatory and Policy Problems**

In the matter of regulatory and policy problems presented by the interdependence of computer and communication services and facilities; Docket No. 16979.

1. On January 8, 1968, the Business Equipment Manufacturers Association (BEMA) filed with the Commission a letter requesting that the final date for submission of written responses to the issues contained in the Commission's above-captioned notice of inquiry be extended from February 5 to March 5, 1968. Copies of the letter were served by BEMA on all of the parties known to be interested in this proceeding.

2. In its letter BEMA states that it has undertaken an extensive compilation of data in connection with its proposed filing in this proceeding. Because of the need for coordination with the various entities participating in its response, BEMA requires additional time to complete its response. Counsel for BEMA has been authorized by counsel for the Newspapers Publishers Association and Aeronautical Radio Inc. to advise that they also support the request for change in dates. In addition, there have been informal requests to the Common Carrier Bureau asking that the date for the filing of responses in this proceeding be deferred.

3. In view of the request made by BEMA in its letter and the indication from other interested parties that it would be useful to allow additional time to file responses in this proceeding, we conclude that it would be in the public interest to grant BEMA's request.

4. Accordingly, it is ordered, That the date for the submission for responses to the notice of inquiry in the matter of the "Regulatory and the Policy Problems Presented by the Interdependence of Computer Communication Services and Facilities" is hereby extended from February 5, 1968 to March 5, 1968.

Adopted: January 10, 1968.

Released: January 11, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,¹

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-618; Filed, Jan. 16, 1968;
8:50 a.m.]

[Docket No. 17755; FCC 68-4]

JOSEPH P. OLIVEIRA

Order Designating Application for Hearing on Stated Issues

In re application of Joseph P. Oliveira, Hollywood, Calif., Docket No. 17755; for amateur radio station and general class operator licenses.

The Commission has under consideration the above-entitled application for amateur radio station and general class operator licenses.

There are substantial questions as to:

(a) Whether Joseph P. Oliveira made a false statement concerning his criminal record in his application for general class license in the Amateur Radio Service;

(b) Whether Joseph P. Oliveira operated radio transmitting apparatus on Citizens Radio Service frequencies without a valid station authorization, in violation of section 301 of the Communications Act of 1934, as amended;

(c) Whether Joseph P. Oliveira operated radio transmitting apparatus on Amateur Radio Service frequencies without a license therefor, in violation of

section 301 of the Communications Act of 1934, as amended;

(d) Whether Joseph P. Oliveira, while operating a radio transmitter on Citizens Radio Service frequencies, engaged in conduct which was or, had he been licensed would have been, in violation of the Commission's rules governing that service.

In view of these questions, the Commission is unable to find that a grant of the captioned application would serve the public interest, convenience and necessity and must, therefore, designate the application for hearing. Except for the issues specified herein, the applicant is otherwise qualified to hold an Amateur Radio Service license.

Accordingly, it is ordered, Pursuant to section 309(e) of the Communications Act of 1934, as amended, and § 1.973(b) of the Commission's rules, that the captioned application is designated for hearing at a time and place to be specified by subsequent order upon the following issues.

(1) To determine whether Joseph P. Oliveira made a false statement concerning his criminal record, in his captioned application for general class license in the Amateur Radio Service.

(2) To determine whether at various times during the period from October 24, 1962, to August 12, 1963, Joseph P. Oliveira operated radio transmitting apparatus on Citizens Radio Service frequencies without a valid station authorization, in violation of section 301 of the Communications Act of 1934, as amended.

(3) To determine whether Joseph P. Oliveira at various times during the period March 1 to August 9, 1967, operated radio transmitting apparatus on Amateur Radio Service frequencies without a valid station authorization, in violation of section 301 of the Communications Act of 1934, as amended.

(4) To determine whether, at various times during the period from October 24, 1962, to August 12, 1963, Joseph P. Oliveira engaged in conduct which was, or had he been licensed would have been, in violation of §§ 95.83(a) (1), (3), (8), and (11), 95.91 (a) and (b), and 95.95(c) of the Commission's rules.

(5) To determine whether, in the light of the evidence adduced with respect to the foregoing issues, the grant of the subject application for radio station and operator licenses in the Amateur Radio Service would serve the public interest, convenience and necessity.

It is further ordered, That, to avail himself of the opportunity to be heard, the applicant herein, pursuant to § 1.221 of the Commission's rules, in person or by attorney, shall within 20 days of the mailing of this order file with the Commission in triplicate a written appearance stating an intent to appear on the date fixed for hearing and present evidence on the issues specified in this order; and

It is further ordered, That the Chief, Safety and Special Radio Services Bureau, shall within 10 days after the release of this order, furnish a Bill of

Particulars to the applicant herein setting forth the basis for the above issues.

Adopted: January 4, 1968.

Released: January 10, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-619; Filed, Jan. 16, 1968;
8:50 a.m.]

[Docket Nos. 17680—17682; FCC 67R-10]

STATE OF OREGON ET AL.

Memorandum Opinion and Order Enlarging Issues

In re applications of State of Oregon acting by and through the State Board of Higher Education, Medford, Oreg., Docket No. 17680, File No. BPCT-3814; Liberty Television, a joint venture comprised of Liberty Television, Inc., and Siskiyou Broadcasters, Inc., Medford, Oreg., Docket No. 17681, File No. BPCT-3858; Medford Printing Co., Medford, Oreg., Docket No. 17682, File No. BPCT-3859; for construction permits.

1. State of Oregon acting by and through the State Board of Higher Education (State); Liberty Television, a joint venture comprised of Liberty Television, Inc., and Siskiyou Broadcasters, Inc. (Liberty); and Medford Printing Co. (Medford), mutually exclusive applicants, request a construction permit to operate a new television broadcast station on VHF Channel 8 at Medford, Oreg. The applications were designated for hearing in an order released September 6, 1967 (FCC 67-998). Now before the Review Board is a petition to enlarge issues, filed October 10, 1967,¹ by Southern Oregon Broadcasting Co. (Southern), licensee of Station KTVN (TV), Channel 5, Medford, an intervenor in this proceeding.² In its petition,³ Southern requests the addition of an issue to determine the validity of Liberty's first year cost estimates.⁴

¹ The petition, although not timely filed, will be considered since good cause for the late filing has been shown.

² Southern's petition to intervene was granted by the Examiner in an order, FCC 67M-1699, released Oct. 11, 1967.

³ The other pleadings before the Review Board are: (a) Comments, filed Nov. 3, 1967, by the Broadcast Bureau; (b) opposition, filed Dec. 1, 1967, by Liberty; (c) reply to opposition, filed Dec. 22, 1967, by Southern; and (d) addendum filed Dec. 26, 1967, by Southern.

⁴ The Commission, in the designation order, found, on the basis of Liberty's application, that 703,000 would be required for construction and first year operation; that the balance sheet filed by one of the joint venturers, Liberty Television, Inc., did not reflect current liquid assets sufficient to meet its \$250,000 commitment; that Siskiyou Broadcasters, Inc., the other coventurer, filed no balance sheet; and that the applicant thus "... may have no more than the \$500,000 bank loan available to it to meet a \$703,000 commitment." An issue inquiring into availability of funds was therefore specified.

¹ Commissioner Bartley dissenting; Commissioner Wadsworth abstaining from voting.

2. In support of its petition, Southern offers the affidavit of Jerold R. Poulos, vice president and general manager of Station KTVM (TV), Medford, which contains his estimates of first year operational cost allegedly " * * * demonstrating that the Liberty estimates are inadequate." Southern notes that Liberty's application (Exhibit 4-A), reads in part:

Based on a detailed study of operational needs, first year operating costs, exclusive of equipment payments, have been estimated at \$213,367. However, the applicant has allocated 15 percent (\$32,005) of that amount for contingencies, thus increasing the first year operating estimate to a total of \$245,381.

Southern urges that this analysis lacks the requisite particularity required by the Ultravision⁶ case. The affiant suggests 29 items which "must" be included under first year expense and which result in a minimum requirement of \$283,350. Mr. Poulos affirms that these are " * * * very conservative estimates of costs * * * " and do not reflect, in addition to video tape expenses, " * * * preparation of tower site, tower base, erection and painting charges which should exceed \$5,000." The Broadcast Bureau supports the petition, "[a]bsent a satisfactory detailed breakdown * * * " of Liberty's cost estimate.

3. In opposition, Liberty asserts the validity of its original \$245,381 estimate and, to support its assertion, includes the affidavit of Donald E. Tykeson, president and general manager of Liberty Television, Inc., licensee of Station KEZI (TV), Eugene, Oreg. Liberty asserts that several of the Poulos estimates " * * * are either overstated or should not be considered at all in determining whether Liberty complies with the Ultravision test * * * ". The attached affidavit discusses in detail the latter items, and indicates the basis upon which Liberty reached some of its estimates.⁷ For example, Liberty challenges the inclusion of Southern's \$15,000 estimate for "Sales Commissions", stating that this is a " * * * direct selling expense, and therefore, should not be budgeted for the purposes of determining whether the Medford operation will have sufficient funds available to construct and operate the station for 1 year without revenues." If the item is considered, Liberty argues, revenues derived from these sales should also be included. In the same manner, Liberty challenges Southern's \$9,000 estimate

for "Consultant Fees." Although the Liberty joint venture agreement calls for payment to Liberty Television, Inc. of \$1,500 per month or 4 percent of gross operating revenues for consultant fees (whichever is greater), Liberty argues that this obligation will be eliminated through an amendment, and in any case, no payment would be required " * * * until the cash flow of the Channel 8 station makes payment possible." An example of alleged overestimation by Southern involves the "Film Rental" allocation; Southern projects a \$54,450 expense. Citing the experience of Liberty Television Inc.'s KEZI-TV Liberty notes that that station programed a weekly average of 32.68 hours of film in 1966 and expended \$37,566 for rental fees; the instant application proposes 19.5 hours and allegedly may expect to derive a financial advantage through common purchase of film with KEZI and a lower fee schedule due to Medford's "smaller market". For these reasons, Liberty avers, a \$20,000 estimate is adequate. Lastly, Liberty indicates that it is seeking leave to amend its application to "submit a revised plan of financing" which, Liberty asserts, will demonstrate its ability to meet the \$703,000 in costs the Commission considered, as well as the \$38,000 increase Southern urges in the present petition.

4. Southern, in reply, filed a further affidavit from Poulos which allegedly "lays at rest" the arguments raised by Liberty. Southern notes that there is a vast difference in the experience of the two professional affiants and the areas on which their estimates are based; Liberty's figures being based primarily on the broadcast record of KEZI in Eugene, while Southern has had numerous years in the Medford area. Moreover, the attached affidavit discusses in some detail four of the major conflicting estimates, alleging the validity of Southern's projections contained in its original petition. For example, with reference to Southern's higher estimate of film rental costs, Mr. Poulos states that it has been his experience that " * * * the supply of film has diminished, [and] discounts for combination buys have been eliminated." He further notes that " * * * film companies have already indicated to us that the current price for film in the Medford market will be upped quite appreciatively if and when it becomes a three station market." Mr. Poulos therefore concludes that even his earlier estimate of \$54,450 is too low.

5. The Review Board finds that there is a sufficient basis for expanding the financial inquiry. Petitioner has submitted, in its affidavit, cost estimates for first year operation of over \$283,350; Liberty has allocated \$213,367 for this expense. Even the inclusion of Liberty's contingency fund of \$32,005 still leaves a difference of approximately \$38,000. The Board cannot agree with several of Southern's inclusions. For example, we agree with Liberty that the items denoted as "Commissions" and "Loss Due to Bad Debts" should not be charged against the applicant in the absence of consideration of expected revenues. However, with regard to the allocations for "Film Rental", "Film Transportation", "Consultant Fees" and "Telephone and Telegraph", the Board is unable to determine the validity of either party's estimates on the basis of the submitted pleadings. Thus, even accepting Liberty's contentions with regard to all but these four of the disputed allocations, Liberty would still require almost \$258,000 for first year costs; \$13,000 more than its estimate, a difference which warrants further investigation. Moreover, in accordance with Commission policy, when an applicant's operating cost estimates are challenged, a "detailed breakdown of the estimate will be required."⁸ Liberty has not attempted to itemize its estimated costs in its opposition; rather it chooses to challenge Southern's estimates as overstated and improper. It is only in opposition to eight of Southern's 29 included operational expenses that Liberty offers any "detailed breakdown" of how it reached its estimates. Liberty offers no reasoned challenge to the remaining allocations, nor does it indicate what items are included in its first year cost estimate. Under all of these circumstances, the Board believes that an issue relating to first year's cost is warranted.

Accordingly, it is ordered, That the petition to enlarge issues, filed October 10, 1967, by Southern Oregon Broadcasting Co., is granted; and that the issues in this proceeding are enlarged by the addition of the following issue: To determine, with reference to the application of Liberty Television, the basis for its estimated operating expenses for the first year of operation.

Adopted: January 10, 1968.

Released: January 12, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-620; Filed, Jan. 16, 1968;
8:50 a.m.]

⁷ Liberty has not filed an amendment deleting the obligation, and its financial plan must be judged on the basis of the proposals in its application. Triad Stations, Inc., FCC 64R-540, 3 RR 2d 1064.

⁸ Note 2, The Ultravision Standard (for financial qualifications), FCC 67-812, 10 RR 2d 1757.

⁹ Review Board Member Nelson absent.

⁶Ultravision Broadcasting Company, FCC 65-581, 5 RR 2d 343.

⁷In summary, Liberty has provided the following chart reflecting the contested estimates and noting the resulting differences:

Item	KTVM	Liberty	Difference
Film rental	\$54,450.00	\$20,000.00	\$34,450.00
Film transportation	7,000.00	4,000.00	3,000.00
Sales commissions	15,000.00	2,500.00	12,500.00
Bad debt expense	2,500.00	2,500.00	0.00
Consultant fees	9,000.00	9,000.00	0.00
Emergency power generator	5,000.00	616.65	4,383.35
Music license fees	5,200.00	1,680.00	3,520.00
Telephone and telegraph	12,000.00	3,600.00	8,400.00
Total	110,150.00	29,896.65	80,253.35

[Docket No. 17634; FCC 68M-55]

**VOICE OF THE NEW SOUTH, INC.
(WNSL)****Order Scheduling Further Prehearing
Conference**

In re application of Voice of the New South, Inc. (WNSL), Laurel, Miss., Docket No. 17634, File No. BP-16819; for construction permit.

The Hearing Examiner having under consideration a "Motion To Change Procedural Dates" filed by the applicant on November 9, 1967;

It appearing that the lapse of time has rendered this motion moot but that a new schedule of procedural dates should be established:

It is ordered, That there will be a further prehearing conference on January 23, 1968 at 2 p.m.

Issued: January 10, 1968.

Released: January 11, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-621; Filed, Jan. 16, 1968;
8:50 a.m.]

[Docket No. 17855; FCC 68M-59]

WELCH ANTENNA CO.**Order Continuing Hearing**

In re cease and desist order to be directed against the following CATV operator: Welch Antenna Co., Welch, W. Va., Docket No. 17855.

The Hearing Examiner has under consideration "Joint Petition For Dismissal of Show Cause Proceeding and Continuance of Procedural Dates Pending Action," filed January 10, 1968, by the CATV respondent in the above-entitled proceeding and the intervenor, Daily Telegraph Printing Co., licensee of Television Station WHIS-TV, Bluefield, W. Va. Also before the Examiner are the transcript of the prehearing conference which was held December 21, 1967, and the order after prehearing conference, released December 27 (67M-2132), which postponed the hearing from January 8 to 12, 1968. The joint petition, which is addressed to the Commission, asks the Commission to approve a settlement agreement which has been reached by the petitioners and to continue all procedural dates pending action dismissing the proceeding. It would be inappropriate under the circumstances for the Hearing Examiner to force the petitioners into a hearing without waiting until the Commission has at least passed upon so much of the joint petition which may be construed as requesting a "stay" of the hearing. The hearing will therefore be postponed herein, on the Examiner's own motion, until release of the Commission's order granting or denying this requested relief. Counsel for the Commission's Broadcast Bureau has indicated orally her consent to this action.

It is so ordered, And the hearing in the above-entitled proceeding is hereby con-

tinued pending release of the Commission's ruling referred to above.

Issued: January 11, 1968.

Released: January 11, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-622; Filed, Jan. 16, 1968;
8:50 a.m.]

FEDERAL MARITIME COMMISSION**AMERICAN EXPORT ISBRANDTSEN
LINES, INC., AND TRANSOCEAN
GATEWAY CORP.****Notice of Agreement Filed for
Approval**

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 10 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as set forth below), and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. James N. Jacobi, Kurrus and Jacobi, 2000 K Street NW., Washington, D.C. 20006.

Agreement No. T-2122 between American Export Isbrandtsen Lines, Inc. (AEIL), and Transocean Gateway Corp. (Transocean) is a containership terminal contract wherein Transocean grants AEIL (1) exclusive operating use (but not exclusive berthing) of certain facilities on the Staten Island Waterfront known as Pier 13, Stapleton, N.Y.; (2) exclusive use of a marshalling area of approximately seven (7) acres west of Pier 12; and (3) necessary use of part (not to exceed 75 percent of a terminal consolidation shed). Transocean will provide various services and facilities and arrange for a contract stevedore to provide stevedoring for all users of the terminal. As compensation, AEIL will pay Transocean a fixed annual sum. AEIL will receive credit against its rental for secondary use of the facilities.

Dated: January 11, 1968.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 68-558; Filed, Jan. 16, 1968;
8:45 a.m.]

**GENERAL SERVICES ADMINIS-
TRATION**

[Federal Property Management Temporary
Reg. D-8]

**SECRETARY OF HEALTH, EDUCATION,
AND WELFARE****Delegation of Authority Regarding
Control of Violations of Law of Cer-
tain Facilities Located in Mont-
gomery County, Md.**

1. *Purpose.* This regulation delegates authority to the Secretary of Health, Education, and Welfare to assist in controlling violations of law at Health, Education, and Welfare facilities located in Montgomery County, Md.

2. *Effective date.* This regulation is effective immediately.

3. *Delegation.* a. Pursuant to the authority vested in me by the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, and the Act of June 1, 1948 (62 Stat. 281), as amended, authority is hereby delegated to the Secretary of Health, Education, and Welfare to appoint uniformed guards as special policemen and make all needful rules and regulations for the protection of Health, Education, and Welfare facilities and grounds in Montgomery County, Md., over which the Federal Government has acquired exclusive or concurrent jurisdiction under the Laws of Maryland, Chapter 158, approved March 31, 1953.

b. The Secretary of Health, Education, and Welfare may redelegate this authority to any officer or employee of the Department of Health, Education, and Welfare.

c. This authority shall be exercised in accordance with the limitations and requirements of the above-cited acts, and policies, procedures, and controls prescribed by the General Services Administration.

4. *Effect on other issuances.* This regulation supersedes Federal Property Management Regulations, Temporary Regulation D-3, Delegation of Authority, dated October 25, 1966.

Dated: January 9, 1968.

LAWSON B. KNOTT, JR.,
Administrator of General Services.

[F.R. Doc. 68-565; Filed, Jan. 16, 1968;
8:45 a.m.]

**SECURITIES AND EXCHANGE
COMMISSION**

[File No. 24NY-6171]

AEREON CORP.**Order Permanently Suspending
Exemption**

JANUARY 10, 1968.

I. Aereon Corp., Mercer County Airport, Trenton, N.J., a corporation organized under the laws of Pennsylvania on September 4, 1959, and having its principal office located at the Mercer

County Airport, Trenton, N.J., filed with the Commission on July 19, 1965, a notification on Form 1-A with exhibits thereto, including an offering circular, for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3(b) and Regulation A promulgated thereunder. The notification and offering circular covered a proposed offering of 25,000 shares of 20 cents par value common stock at the price of \$12 a share for an aggregate offering price to the public of \$300,000. The offering commenced on May 9, 1966, and in a Form 2-A filed on December 8, 1966, the issuer stated that it had sold 11,188 shares of stock, receiving \$134,156 therefrom, and that the offering would continue. A subsequent report of sales indicated the sale of additional shares in the amount of \$22,320 prior to March 23, 1967.

II. The Commission, on March 23, 1967, temporarily suspended the Regulation A exemption of Aereon Corp., stating it had reason to believe from information reported to it by its staff that:

A. The offering circular contains untrue statements of material facts and omits to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, particularly with respect to the following:

1. The statement in the offering circular that the company intended to repair the test aircraft described therein for approximately \$7,200 was false and misleading.

2. The failure to disclose that the company, at or about the time the offering was commenced, was in the process of materially changing the design and the power plant of the Aereon test aircraft; that such changes would require a new and enlarged program of engineering testing and evaluation necessitating increased costs; that the major portion of the proceeds of this offering would be expended in order to change and redesign the test aircraft; that there was no assurance that these changes would prove successful; and that such changes would prevent flight testing of the redesigned aircraft within the immediate future.

3. The failure to disclose that the issuer has no engineering data to support the engineering theories, aerodynamic stability and characteristics of the three-fuselage test vehicle or with respect to such test vehicle as modified.

4. The failure to disclose that any ground and flight tests and engineering data related thereto regarding the present and past test vehicle will have no demonstrable relation to the commercial prototype now in the design phase.

B. The terms and conditions of Regulation A have not been complied with in that:

1. The issuer offered and sold certain of its securities to the public without delivering a copy of an offering circular containing the information required by

Schedule I of Form 1-A in violation of Rules 256(a) (1) and (2).

2. The issuer offered and sold, within 1 year prior to the commencement of the offering under Regulation A, \$48,800 of interest bearing 5 percent convertible securities, termed "advances on open account", in violation of section 5 and the inclusion of the sale price of these securities in the computation required by Rule 254(a) causes the \$300,000 limitation on offerings under Regulation A to be exceeded.

3. The offering circular failed to disclose a contingent liability on the part of the issuer because of the sale of certain of its securities in violation of section 5.

4. The issuer used false and misleading sales literature, consisting of brochures prepared by the issuer and reproductions of newspaper and magazine articles, in offering and selling its "advances on open account" and its common stock in violation of section 17 of the Securities Act of 1933, as amended.

5. The issuer violated Rule 258 of Regulation A by failing to file sales literature used in connection with the offer and sale of its securities.

6. The issuer's oral representation, made in connection with the offer and sale of its stock, that "the stock has more than tripled in value from the time that the company first issued stock in 1960" was materially false and misleading in failing to disclose that the price was not dependent upon a public market price but was an arbitrary price established by the issuer and its officers and directors.

7. The issuer's written and oral statements made to persons to whom its securities were offered were materially inaccurate and misleading in representing that: The issue is almost sold out; only a small part of the issue is still available and it is expected that most of the stock available will be sold in the immediate future to local persons; this is the last issue of stock available; the proposed aircraft can deliver 4 to 6 times the average truck load, at ranges up to 4,000 miles, at a cost of less than 1½ cents per ton mile; the issuer is proceeding as rapidly as possible toward manufacture of a commercial aircraft; and, rapid progress is being made toward a commercial prototype aircraft.

8. Issuer's response to Item 10 of the notification is materially false and misleading in failing to disclose that the company was presently offering securities in addition to those covered by the notification and offering circular.

C. The offering has been and will continue to be made in violation of section 17 of the Securities Act of 1933.

III. Issuer, on December 15, 1967, filed, pursuant to Rule 8 of the Commission's rules of practice, an offer of settlement in which it consents to the temporary suspension order becoming permanent providing that such consent is limited to this proceeding and is given solely for purposes of settlement and without admitting any of the allegations contained in the temporary suspension order dated March 23, 1967, and that the permanent suspension order shall so recite, and also

provided that the language of section IIA 3 and 4 of said temporary suspension order be amended to read as follows:

3. The failure to disclose that issuer's engineering data was insufficient and inadequate to support the engineering theories, aerodynamic stability, and characteristics of the three-fuselage test vehicle or with respect to such test vehicle as modified.

4. The failure to disclose that any ground and flight tests and engineering data related thereto regarding the present and past test vehicle will have few demonstrable relationships to the commercial prototype now in the design phase.

IV. The Commission has determined to accept the offer of settlement submitted by Aereon Corp. on December 15, 1967, and therefore:

It is ordered, On the basis of the temporary suspension order and the issuer's offer of settlement, that the Regulation A exemption with respect to the securities of Aereon Corp. be, and it hereby is, permanently suspended.

It is further ordered, That the hearing in this matter ordered by the Commission on April 21, 1967, at a date to be scheduled, be and it hereby is canceled.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant Secretary.

[F.R. Doc. 68-580; Filed, Jan. 16, 1968;
8:46 a.m.]

[812-2240]

AXE-HOUGHTON FUND A, INC. ET AL.

Notice of Filing of Application for Order Exempting Proposed Trans- actions

JANUARY 11, 1968.

Notice is hereby given that Axe-Houghton Fund A, Inc. ("Fund A"), Axe-Houghton Fund B, Inc. ("Fund B"), Axe-Houghton Stock Fund, Inc. ("Stock Fund"), and Axe Science Corp. ("Science Fund"), 400 Benedict Avenue, Tarrytown, N.Y., open-end diversified management investment companies registered under the Investment Company Act of 1940 (the "Act") (sometimes collectively referred to as "Applicants"), have filed a joint application pursuant to section 17(b), or in the alternative section 6(c), of the Act and Rule 17d-1 promulgated under section 17(d) of the Act. Applicants request an order of the Commission (1) exempting from the prohibitions of section 17(a) of the Act the proposed conversion by Applicants of 6 percent convertible subordinated debentures due April 1, 1975, of Metro-media, Inc. ("Metromedia"), into shares of Common Stock of Metromedia and (2) authorizing, pursuant to Rule 17d-1, the acquisition by Applicants of such common stock. All interested persons are referred to the Application on file with the Commission for a statement of Applicants' representations, which are summarized below: